RIVERHURST POTATO STORAGE INC.

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31
(UNAUDITED)

	2000	1999
	(Thousands of Dollars)	
ASSETS		
CURRENT ASSETS		
Cash	$ -	$ 5
Accounts receivable	-	25
	-	30
CAPITAL ASSETS (note 4)	-	2,900
	$ -	$ 2,930
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ -	$ 16
Current portion of mortgage payable (note 5)	-	93
	-	109
MORTGAGE PAYABLE (note 5)	-	2,970
	-	3,079
SHAREHOLDERS' EQUITY		
CONTRIBUTED SURPLUS	193	-
RETAINED EARNINGS	(193)	(149)
	$ -	$ 2,930

Director

See accompanying notes

RIVERHURST POTATO STORAGE INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31
(UNAUDITED)

	2000	1999
	(Thousands of Dollars)	
REVENUE		
Rental Income	$ 141	$ 281
Interest	-	-
Other Income	-	-
	141	281
EXPENSES		
Interest	100	193
Amortization of capital assets	71	139
Operations	14	16
	185	348
NET LOSS FROM OPERATIONS	(44)	(67)
RETAINED EARNINGS, BEGINNING OF YEAR	(149)	(82)
RETAINED EARNINGS, END OF YEAR	$ (193)	$ (149)

See accompanying notes

RIVERHURST POTATO STORAGE INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31
(UNAUDITED)

	2000	1999
	(Thousands of Dollars)	
Operating activities		
Net loss	$ (44)	$ (67)
Charges and credits not affecting cash:		
Amortization of capital assets	71	139
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	25	28
Accounts payable	(11)	16
Cash used in operating activities	41	(116)
Investing activities		
Capital expenditures	-	(24)
Cash used in investing activities	-	(24)
Financing activities		
Repayment of mortgages	(46)	(88)
Cash (used in) provided by financing activities	(46)	(88)
INCREASE IN CASH	(5)	4
CASH, BEGINNING OF YEAR	5	1
CASH, END OF YEAR	$ -	$ 5

See accompanying notes

RIVERHURST POTATO STORAGE INC.
Notes to the Financial Statements
December 31, 2000
(Unaudited)

1. Status of the Corporation

Riverhurst Potato Storage Inc. was formed in April, 1997. The corporation's purpose is to facilitate construction of potato storage facilities in the Lake Diefenbaker area of Saskatchewan.

2. Ownership of the Corporation

At December 31, 2000, ownership of the corporation was held solely by Saskatchewan Water Corporation.

3. Significant Accounting Policies

Capital Assets

Capital assets are recorded at cost. Amortization of capital assets is calculated at the following annual rates designed to amortize the recorded cost over the estimated useful lives of the capital assets:

Capital assets	Method	Rate
Potato storage building	straight-line	2.5%
Potato handling equipment	straight-line	20%

4. Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(Thousands of Dollars)			
Potato storage building	$ -	$ -	$ -	$2,685
Potato handling equipment	-	-	-	215
	$ -	$ -	$ -	$2,900

All assets of the corporation were transferred to Sask Valley Potato Corporation. The effective date of the transfer was June 28, 2000.

5. Mortgage Payable

Year Payable	Interest Rate	2000	1999
		(Thousands of Dollars)	
2000	6.39%	-	93
2001	6.39%	-	100
2002	6.39%	-	105
2003 and subsequent	6.39%	-	2,765
		-	3,063
Less: Current portion of mortgage payable		-	(93)
		$ -	$2,970

The mortgage was due to the Canadian Imperial Bank of Commerce (CIBC) and expires in March, 2003. The mortgage was transferred to Sask Valley Potato Corporation. The effective date of the transfer was June 28, 2000.

6. Related party transactions

Saskatchewan Water Corporation is a related party to the corporation through its ownership interest. Below is a summary of transactions and amounts outstanding at year end:

	2000	1999
	(Thousands of Dollars)	
Saskatchewan Water Corporation:		
Accounts receivable	$ -	$ 25
Accounts payable	-	16
Revenue	141	281